

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of the Rate Increase                    )  
for Lakeland Heights Water Co., Inc.                )     Case No. WR-2012-0266

**NOTICE OF COMPANY/STAFF AGREEMENT REGARDING DISPOSITION  
OF SMALL COMPANY RATE INCREASE REQUEST**

**COMES NOW** the Staff (Staff) of the Missouri Public Service Commission (Commission), by and through counsel, and for its *Notice of Company/Staff Agreement Regarding Disposition of Small Company Rate Case Increase Request* (“Agreement Notice”) hereby states:

1. On January 31, 2012, the Commission received a Rate Increase Request Letter from Lakeland Heights Water Co., Inc. (Lakeland or Company), requesting Commission approval of an increase of \$3,960.00 in its annual water service operating revenue pursuant to Commission Rule 4 CSR 240-3.050 (Small Utility Rate Case Procedure).
2. On April 23, the Commission granted Staff’s *Motion to Extend Filing of Disposition Agreement* by 60 days pursuant to Commission Rule 4 CSR 240-3.050(12). The Commission ordered Staff and the Company to file their disposition agreement no later than August 28.
3. Upon completion of Staff’s investigation of the Company’s request, Staff provided the Company and the Office of the Public Counsel (“Public Counsel”) with materials related to Staff’s investigation, as well as Staff’s initial recommendations for resolution of the revenue increase request.

4. Pursuant to negotiations conducted after the Company and Public Counsel received the above-referenced information and recommendations, Staff and the Company reached a Company/Staff Disposition Agreement (“Disposition Agreement”) resolving the Company’s rate increase request.

5. A copy of the Disposition Agreement is attached here as Appendix A and incorporated by reference. Appendix A contains affidavits from Staff members who participated in the investigation of the Company’s Request. This Disposition Agreement provides for an overall agreed-upon operating revenue increase of \$6,582.00, which is just and reasonable and designed to cover the Company’s cost of service. Among other things, it prescribes a schedule of depreciation rates and requires the Company to implement certain agreed-upon Staff recommendations.

6. Pursuant to Rule 4 CSR 240-3.050 (14), the Company will file tariff sheets seeking to implement the terms of the Disposition Agreement. The tariff sheets will be filed September 4, 2012, and as required will bear an effective date of October 22, 2012, which is not fewer than forty-five (45) days after they are filed.

7. Lakeland is current on its payment of Commission assessments and on its filings of annual reports and statements of revenue. The Company has no other cases pending before the Commission at this time.

**WHEREFORE**, Staff respectfully submits this Agreement Notice and the attached Disposition Agreement for the Commission’s consideration, and requests the Commission enter an order adopting the terms of the Disposition Agreement, and any other relief the Commission deems appropriate.

Respectfully Submitted,

**STAFF OF THE MISSOURI  
PUBLIC SERVICE COMMISSION**

**/s/ John D. Borgmeyer**

John D. Borgmeyer  
Legal Counsel  
Missouri Bar No. 61992

Attorney for the Staff of the  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, Missouri 65102  
Telephone: (573) 751-5472  
Fax: (573) 751-9285  
Email: john.borgmeyer@psc.mo.gov

**CERTIFICATE OF SERVICE**

I hereby certify that true and correct copies of the foregoing were served electronically to all counsel of record this 28<sup>th</sup> day of August, 2012.

**/s/ John D. Borgmeyer**